

Pacific Law Partners, LLP
15615 Alton Parkway, Suite 240
Irvine, CA 92618
(949) 242-2441 - Facsimile (949) 242-2446

Matthew F. Batezel (State Bar No. 185147)*
mbatezel@plawp.com

Daniel T. Balmat (State Bar No. 230504)
dbalmat@plawp.com

PACIFIC LAW PARTNERS, LLP
15615 Alton Parkway, Suite 240
Irvine, CA 92618
(949)242-2441
Fax (949)242-2446

Attorneys for Defendant
STATE FARM GENERAL INSURANCE COMPANY

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

WILLIAM TONG; and MALINEE
DIBBAYAWAN,

Plaintiffs,

vs.

STATE FARM GENERAL
INSURANCE COMPANY; and DOES
1 to 10,

Defendants.

) Case No.: 2:24-cv-02219-DSF-MAR

) **DISCOVERY MATTER**

) Magistrate Judge Margo A. Rocconi

) **DECLARATION OF**
) **CHRISTOPHER LEUNEN**
) **THOMAS IN SUPPORT OF**
) **DEFENDANT STATE FARM**
) **GENERAL INSURANCE**
) **COMPANY'S MOTION TO**
) **ENTER PROTECTIVE ORDER**

) **Date:** January 15, 2025

) **Time:** 11:00 a.m.

) **Courtroom:** 790

) Complaint filed: March 19, 2024

DECLARATION OF CHRISTOPHER LEUNEN THOMAS

I, Christopher Leunen Thomas, declare the following:

1. I am over the age of 21 and could testify competently to the
information set forth herein.

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1 2. I am aware of the lawsuit entitled *William Tong et al. v. State Farm*
2 *General Insurance Company et al.*, Case Number 2:24-cv-02219-DSF and submit
3 this Declaration in support of State Farm’s Motion for Protective Order.

4 3. I am presently employed by State Farm Mutual Automobile Insurance
5 Company (hereinafter “State Farm”) as a Learning Team Manager in Claims
6 Training – P&C department. In this position, which I have held for 4 years of my
7 14-year tenure with State Farm, my job responsibilities include maintaining the
8 materials used to educate claim employees on claims-related matter and company
9 policy in general. The processes referred to herein include those employed by or
10 on behalf of State Farm General Insurance Company. All references to “State
11 Farm” shall include State Farm Mutual Automobile Insurance Company and State
12 Farm General Insurance Company (hereinafter collectively “State Farm”).

13 4. In my capacity as a Learning Team Manager, I am familiar with the
14 creation and use of State Farm’s training materials which reflect State Farm’s
15 practices and procedures at the time the materials are created or updated. Those
16 materials, including materials created for property claims, are created for the
17 exclusive use of State Farm claims personnel by highly experienced claims and
18 legal professionals and are considered the confidential property of State Farm.

19 5. The creation, supplementation, and evaluation of training and resource
20 material for claim personnel is an ongoing and continuing process which draws
21 heavily upon the resources of State Farm. It is expensive, time consuming, and
22 requires the input of numerous highly qualified claims and legal personnel. I would
23 expect that any competitor attempting to duplicate the materials, and process
24 would be subject to the same if not more, difficulty, expense, and commitment.

25 6. Unlike many other insurance companies. State Farm develops its own
26 industry policies rather than using standard Insurance Service Office forms. State
27 Farm also develops much of its own training and resource materials which it
28

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1 prepares and intends for the exclusive use of its claims personnel. The training
2 materials which Plaintiffs seeks to make publicly available is unique to State Farm.

3 7. State Farm's training materials are not offered for sale nor made
4 available for public use. State Farm does not disseminate information regarding its
5 training materials to the general public or to competitors in the insurance industry.

6 8. It is State Farm's policy and procedure to treat the referenced training
7 materials, as well as other training materials, as proprietary and confidential and
8 ensure these materials are produced only subject to a protective or confidentiality
9 order which prevents the documents from being used in any manner not
10 specifically related to the particular litigation at issue. These protective orders and
11 confidentiality agreements normally expressly prohibit the parties from
12 disseminating the confidential and proprietary documents to any person or entity
13 unless they are working on the case at issue, prohibit the documents from being
14 used for any other purpose, and require the return of the documents to State Farm
15 at the conclusion of litigation.

16 9. State Farm has resisted the unfettered production and distribution of
17 these materials in other litigation and requests confidentiality orders for any such
18 information produced.

19 10. The training and resource materials created by State Farm represent a
20 significant commitment to research and development by its employees. The
21 research and development reflected in its training and resource materials is a form
22 of intellectual property. If the materials were disseminated, competitors of State
23 Farm would receive the benefit of numerous hours of State Farm's work product
24 which would give competitors an unfair advantage. Its competitors would not need
25 to spend resources developing their own materials. As State Farm is an industry
26 leader, dissemination of its materials and resources would provide competitors
27 with a blueprint of how to improve the management of their claims operations.

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11. Allowing unfettered access by the public, including other insurance companies or lawyers, to these documents would injure State Farm. Unfettered access would give State Farm's competitors the unfair advantage of obtaining, at no cost and with no expenditure of time and resources, State Farm's valuable business techniques, programs, and information that were developed as a result of State Farm's significant investment of time, manpower and financial resources, thereby diluting the effectiveness of State Farm's investment and causing irreparable harm to State Farm's competitive position. State Farm derives an independent economic value by maintaining the confidentiality of its training materials, as they are not generally known to or readily ascertainable by proper means by other persons, such as competitors, who can obtain economic value from the materials' disclosure or use. Disclosure of such information to a competitor would give the competitor information that otherwise could not be obtained. A competitor could use the information to copy or adapt State Farm's training materials. Further, the competitor's development time and cost would be greatly reduced if it had access to State Farm's training materials. The competitor would realize substantial cost savings without compensating State Farm for its expenses incurred in developing the ideas. The threat of a competitor's unearned savings, State Farm's uncompensated expense, and the competitor's market gain would constitute an unfair economic disadvantage to State Farm.

12. State Farm also takes certain steps to ensure that employees do not disseminate the confidential information contained in its training and procedure manuals. As an example, State Farm's employees are required to sign a Code of Conduct annually that contains the following language:

I. CONFIDENTIAL AND PROPRIETARY MATTER:

Information is an asset, and we must protect it from unauthorized or improper use. Types of information include trade secret, confidential, internal use only and privileged, and each type needs to be protected

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on various levels. Intellectual property can include patents, copyrights, trade secrets, customer lists, business models and marketing plans, as well as claim information, contractual obligations and information developed for internal use. Any intellectual property developed while performing work for, or on behalf of the Company resources, equipment, time or information belongs to the Company. As employees, we must safeguard Company information from unauthorized disclosure or use, and must not use Company information for our benefit or that of others. When we leave the Company, we must return any information, and the obligation not to disclose or use such information continues after we leave.

13. The above-mentioned Code of Conduct would prohibit State Farm employees from disclosing the referenced training materials to outside sources.

14. The information contained in the referenced training materials was developed as described above and the dissemination of the information could provide a competitor with an unfair advantage because the competitor could adopt the procedures and training developed by State Fann for its own use.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 25th day of November 2024, at Weatherford, Texas.

Christopher
Leunen Thomas

Digitally signed by
Christopher Leunen Thomas
Date: 2024.11.25 12:47:36
-06'00'

Christopher Leunen Thomas